

## **Virginia Neighborhood Stabilization Program Frequently Asked Questions**

The Virginia NSP will focus investments in neighborhoods that can be significantly impacted through a defined revitalization strategy. Emphasis will be placed on projects that retain the fabric of the existing neighborhood. **It is the intent of the Virginia NSP to ensure that projects will not significantly change the preexisting nature, characteristic, or stability of that neighborhood.**

Priority is placed on projects that provide homeownership opportunities for eligible clients. Proposals that contain a rental component will be evaluated on a case-by-case basis.

Please check back frequently for updates.

### **1) What constitutes a neighborhood?**

Applicants will need to explain why the selected neighborhoods were targeted and how the area was defined. DHCD has not set a minimum number of homes that must be included in a proposed neighborhood; however, applicants should seek to target neighborhoods that have at least 10 percent of the housing units, properties, or structures that meet the approved definition of foreclosed or abandoned. There must be a sufficient number of total and eligible houses to constitute a neighborhood and provide a basis for impact on a real estate market. In the application, the targeted properties (addresses) must be included along with a discussion of how these properties are eligible under the program.

### **2) What program elements are necessary for a proposal?**

Applicants are expected to have in addition to other elements as outlined in the RFP:

- Targeted neighborhoods and methodology for how the selection was made
- Acquisition and rehab strategy
- Leveraged funding strategy
- Pool of *qualified* clients who want to live in the targeted neighborhoods
- Disposition strategy (for example, available mortgage financing, operation plan for rental / transitional housing)

### **3) At what point will NSP funds be made available for acquisition?**

Once a proposal is approved and targeted properties have been determined as eligible under this program, DHCD will make NSP funds available to complete acquisition. However, applicants are expected to demonstrate they have access to a pool of interested, qualified clients. Please note that all properties targeted for acquisition may not be approved at once. DHCD will consider the applicant's redevelopment and disposition track record when evaluating requests for acquisition funding; the intent is to bring these properties back onto the market quickly and find clients that are prepared to move-in.

### **4) How much is available to operate this program?**

Up to 5% of the NSP allocation is available for administrative costs. If the applicant has an approved Program Income Plan that will continue the same activity in the same location, up

to 8% of the Program Income generated will be available for administrative purposes. Additionally, **Program Delivery** costs will be available for the implementation of the NSP. These costs **do not include**:

- The cost of administering the project\*
- The cost of appraisals\*
- The cost of the actual NSP activities\*
- Any cost that is ineligible for NSP funding

\* These costs are eligible under other budget line items (i.e. administrative, appraisal, rehab, acquisition, etc)

Program Delivery fees will be performance based and will be subject to the following scale:

**Single Family Owner Occupied Program Delivery Eligible Expenses:**

	<i>Single Family Detached Dwelling</i>	<i>Single Family Attached Dwelling (2-4 units)</i>
<i>Acquisition / Not to Exceed</i>	\$ 5,000 per unit / N/A	\$ 3,000 per unit / Not to Exceed \$ 10,000 / transaction or aggregated properties
<i>Rehab Specialist / Not to Exceed</i>	10% of NSP rehab cost up to \$ 2,500 per unit	10% of NSP rehab cost up to \$ 2,500 per unit
<i>Eligible Homebuyer Commitment</i>	\$ 5,000 per household	\$ 5,000 per household (homeowner only)
<i>Occupancy Bonus</i>	\$ 2,500	\$ 2,500
<i>Maximum / Unit</i>	\$ 15,000	\$ 13,000

Please note:

- Occupancy Bonus may be requested upon the closing of the sale

**5) Are multi-family project eligible under the Virginia NSP?**

Yes, these will be evaluated and negotiated on a case-by-case basis. DHCD should be contacted early in the process to discuss any potential multi-family projects.